

# REAL ESTATE PROFESSIONAL GUIDE

You can learn if a property is within or near the floodplain by checking the City Website:  
[http://www.harrisburgpa.gov/Downloads/Maps/Flood\\_Zone\\_Map.pdf](http://www.harrisburgpa.gov/Downloads/Maps/Flood_Zone_Map.pdf)

## Why Real Estate Professionals Should Investigate the Flood Hazard Prior to Showing Property

**1. Potential Lawsuits.** Property owners unaware of the flood hazard are increasingly turning to the courts seeking recovery of damages suffered during floods, particularly when they feel there was a misrepresentation of, or the failure to disclose, the flood hazard at the time of purchase. The potential can be reduced by early notification of the existence of any flood hazard.

**2. Flood Insurance/Financing.** In order to obtain financing to buy, build, or improve property located in identified flood hazard areas in communities participating in the NFIP, flood insurance is required by law when any mortgage, loan, grant, or other funding is provided, insured, or regulated by a Federal Agency (VA, FHA, FmHA, EPA, FDIC etc.).

If the community is not participating in the NFIP (and as a result, flood insurance is not available), grants, loans, or guarantees made by Federal agencies are prohibited for acquisition or construction in identified flood hazard areas. Lending institutions insured or regulated by a Federal agency may make conventional loans at their own discretion in identified flood hazard areas of nonparticipating communities. In other words, the buyer of flood-prone property may be able to obtain conventional or private financing but cannot purchase flood insurance to protect the investment.

The community in which the flood-prone property is located must be participating in the NFIP for flood insurance to be available. There are a few cases when private insurance companies (for communities not participating in the NFIP) may provide flood insurance for mobile homes (sometimes as part of their automobile coverage plan).

Also, some private insurance companies (for communities participating in the NFIP) may provide flood insurance coverage to large manufacturing firms above the coverage offered by the NFIP; that is, they require the firm to purchase flood insurance coverage to the maximum amount available from the NFIP, and they will “pick up the difference” by providing coverage above the maximum amount available from the NFIP to the total amount of insurance needed to protect the insured. You can find out if a community is participating in the NFIP by contacting local building officials (zoning administrator, building inspector, city or town manager, planner engineer, code enforcement officer, or officials with similar titles), local insurance agents, or by calling the NFIP customer line at 1-800-638-6620.

**3. Local Regulations.** Most communities enforce land-use regulations such as zoning ordinances and subdivision regulations and require building and/or development permit. Land designated as susceptible to flooding is usually regulated differently from other areas. The following restrictions/regulations may be in effect:

- Property may be zoned as unsuitable for certain types of development or special construction standards and techniques (for example, elevation of the lowest floor of a new building or an addition to an existing building above the flood elevation specified by local ordinances and regulations) may be required for any development – facts of which the purchaser may not be aware of at the time of purchase.
- There may be regulations in effect which prohibit substantial improvements, additions, or reconstruction to structures presently located in flood hazard areas. A substantial financial loss could result if the existing building is damaged and reconstruction or improvements are prohibited. Information on land-use regulations affecting flood-prone property can be obtained from local building officials.

**4. Federal Disaster Relief.** Owners of buildings damaged by floodwaters in communities not participating in the NFIP (buildings not covered by a flood insurance policy) may not be eligible to receive Federal disaster relief assistance in the form of construction loans (for permanent repair of insurable buildings) until the community enters or reenters the NFIP. In communities participating in the NFIP, the owners may have to purchase flood insurance as a condition for receiving Federal disaster relief assistance for flood damage. Lack of Federal disaster relief can impose a financial burden on those attempting to recover from a flood.

**The City of Harrisburg participates in the National Flood Insurance Program. This make subsidized flood insurance available to all property owners and tenants within the City. It is available from any licensed insurance agent and ensures that full Federal disaster benefits will be available if a flood strikes.**

**The City is also participating in the NFIP's Community Rating System. This will lower the cost of flood insurance to property owners and tenants within the City. This results in: 20% reduction for properties in Special Flood Hazard Areas (aka 100-year), and 15% reduction for non-SFHA properties.**

**For your protection always investigate the flood hazard potential of every piece of property you list and document your findings.**

**Investigate the need for flood insurance and find out the approximate insurance premium prior to showing the property. If this is not practical, perform this investigation as soon as possible.**

**The Real Estate Professional plays a critical role in the notification process early in a real estate transaction.**

## SUMMARY

Always investigate the flood hazard potential and the need for and availability of flood insurance prior to showing property. Document your findings and inform potential buyers as soon as possible.

Do not consider the lack of information on a map or statements by anyone that the stream has never flooded or the flood problem has been "fixed" to mean the absence of flood hazard. If the property is located in the vicinity of a stream or other body of water and its flood hazard area is not shown on the NFIP map, check with other sources to determine if this information is available.

Typical homeowner insurance policies do not cover flood damage-flood insurance must be purchased for this protection. Flood insurance is available if the community in which the property is located is participating in the NFIP.

### Harrisburg's Leadership

The City of Harrisburg participates in the National Flood Insurance Program, which provides immediate and direct benefits to all property owners and tenants in floodplain areas within the City. Harrisburg is also one of the few municipalities participating in the NFIP's Community Rating System which, by reducing the hazards and potential damage from flooding, also lowers flood insurance premiums for property owners and tenants. There are many municipalities in the Southcentral Pennsylvania region which are wholly or partially located within a flood hazard area. Only a portion of the City of Harrisburg is located within such an area. Many municipalities have not adopted local programs and regulations to reduce flood hazards or potential flood damages which places real estate investment at long-term risk. The City of Harrisburg has put into place floodplain construction standards and guidelines to help existing property owners and developers of new construction protect their investment. The City provides free technical assistance to owners and developers to assure that designs and building

plans include flood protection aspects. Only building rehabilitation or new construction within the floodplain incorporate floodplain construction standards in their plans and designs.

To learn requirements to build/remodel in Harrisburg floodplain or reduce flood damage call 255-6553  
.Building Inspector

Outside the City call the local municipal office.



Published by the  
City of  
Harrisburg  
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The City of Harrisburg is a participant in the Community Rating System of the National Flood Insurance Program. Due to the City's efforts, property owners/residents in the Special Flood Hazard Area realize a 20% reduction in flood insurance rates. Property owners/residents in other parts of the City realize a 10% reduction.

## FLOODPLAIN: A Guide for the Real Estate Professional

